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# Financial Reporting Updates

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**Accounting Policy Meeting**  
**Aug. 25, 2020**

**Financial Reporting Section**  
**Fiscal Management Division**



# Agenda and Presenters

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- **GASB Statement No. 84, *Fiduciary Activities***

Presenter: **Michael Hensley**  
financial reporting analyst

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- **GASB Statement No. 87, *Leases***

Presenter: **David Haecker**  
financial reporting analyst

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- **Full Reporting Agencies AFR Deadlines**

Presenter: **Shelly Arnold**  
financial reporting supervisor

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- **General Revenue Reconciliation Web-based Tutorial**

- **State Pass-Through Reporting Web-based Tutorial**

Presenter: **Anis Golshan**  
financial reporting analyst

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# **GASB Statement No. 84, *Fiduciary Activities***



- Changes for **fiscal 2020**
- Changes for **fiscal 2021**



## **GASB Statement No. 87, *Leases***

GASB 87 establishes a uniform approach to accounting for and reporting of **leases** based on the principle that all leases are (in substance) financings.

- Implementation effective for **fiscal 2022**
  - ❖ Agency may implement earlier providing the agency uploads corrective entries (for the CAFR) to the LNSS web application to reverse the impact of GASB 87.
  - ❖ Tentative date for modifications to the LNSS and LTLN web applications: **summer 2022**.
- Minimum threshold
  - ❖ **\$100,000** net present value (NPV) of future minimum payments per unit.  
For example, a 36-month lease, with a monthly payment of \$5,000, assuming a 4% interest rate would have a net present value of \$169,350.
    - If the lease is for a single piece of equipment, then it exceeds the threshold and is subject to GASB 87.
    - If the lease is for 50 notebook computers, a “unit” would be one notebook computer with a net present value of \$3,387 (\$169,350/50), therefore **not** subject to GASB 87.

## GASB Statement No. 87, *Leases* (Cont.)



- Lease calculator/amortization file will be located on the AFR Reporting Requirements' website, in the **Tools** right-hand menu.
  - ❖ Tentative release date of calculator tool: **summer 2021.**
  - ❖ The user will input specific facts pertaining to a lease.
    - The tool will calculate the NPV of the lease.
  - ❖ If the NPV exceeds the capitalization threshold, the tool provides the amounts to initially set-up the asset and associated liability.
    - The tool provides the monthly amortization of the asset and the allocation of the lease payment between reduction of the lease liability and interest expense.





# Full Reporting Agencies AFR Deadlines

## ➤ September 1

- ❖ Schedule of Expenditures of Federal Awards (SEFA) and State Pass-Through Reporting (SPTR) initial pass-through entries and certifications\*

## ➤ September 14

- ❖ Note 3 – GASB 31/72, fair value of investments entries in USAS for the *Cash Report*

## ➤ September 26

- ❖ Interfund Activity Confirmation Form & entries in USAS

## ➤ September 28

- ❖ SEFA pass-through certification
- ❖ SPTR final certification

## ➤ October 20

- ❖ Capital assets certification in CANSS  
(applies to agencies and independent universities)

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\*Certification via web application



## Full Reporting Agencies AFR Deadlines (Cont.)

### ➤ **October 30**

- ❖ Binding encumbrance and payable data in USAS

### ➤ **November 1**

- ❖ CANSS certification  
(applies to consolidated university systems only)
- ❖ General Revenue Reconciliation certification
- ❖ SEFA final certification

### ➤ **November 20**

- ❖ Annual financial report
- ❖ Certify:
  - Agency Cash Flow Reporting (ACFR)
  - Bonds Reporting System (BRS)
  - Component Unit & Related Organizations (CURO)
  - Deposit and Investment (DINSS)
  - Leases (LNSS)
  - Long-Term Liability (LTLN)
  - Other Notes and Disclosures (ONDSS)
  - Restatement (RNSS)
  - Global certification: Disclosure, USAS and interagency activity (CNRC)



## Full Reporting Agencies AFR Deadlines (Cont.)

- **December 20**

- ❖ Audited annual financial report (including auditor's opinion letter)

- **January 14**

- ❖ Post-period Subsequent Events

- **Deadlines** are available on the AFR Reporting Requirement's website (in table format)





# General Revenue Reconciliation Web-based Tutorial

- Designed for agency personnel responsible for reconciling general revenues and maintaining data in General Revenue (GR) Reconciliation web application.
- Available on [FMX](#)
- Divided into nine lessons:
  - ❖ Lesson 1: Overview
  - ❖ Lesson 2: Reconciliation Report Layout and Required Information
  - ❖ Lesson 3: GR Reconciliation Web Application
  - ❖ Lessons 4-9: Column and Applicable Lines of GR Reconciliation
- No CPE is offered for this tutorial



## State Pass-Through Reporting Web-based Tutorial

- Designed for agency personnel responsible for recording and reconciling state pass-through activities and maintaining agency's data in the State Pass-Through Reporting (SPTR) web application.
- Available on [FMX](#)
- Divided into four lessons:
  - ❖ Lesson 1: Overview
  - ❖ Lesson 2: Accounting Treatment
  - ❖ Lesson 3: Error Correction
  - ❖ Lesson 4: SPTR Web Application Instructions and Deadlines
- No CPE is offered for this tutorial

## Questions?



If you have financial reporting questions, contact your agency's [financial reporting analyst](#).